

Issue 10 — October 29, 2002

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## Student aid is top priority in 2003-05 HECB agency budget request

A primary goal of the Higher Education Coordinating Board is to ensure that all Washington citizens – regardless of income – have the opportunity to go to college. However, in recognition of the state's budget crisis, the Board significantly scaled back its 2003-05 agency budget request. The majority of the Board's budget request would restore financial aid funding to the 2001-02 level and ensure that student aid awards keep pace with future tuition hikes at public colleges and universities on a dollar-for-dollar basis.

Specifically, the Board is asking the Legislature and Governor to do the following:

- **Boost State Need Grant funding** to restore the gap between award amounts and public-sector tuition and fees to the 2001-02 level. The state would continue to serve students with family incomes up to 55 percent of the state median.
- **Restore Promise Scholarship award amounts** to the 2001-02 level to cover 81 percent of community college tuition and fees – up from the current 48 percent.



Higher Education  
Coordinating Board

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- **Increase State Work Study student wages** to keep pace with increases in students' non-tuition or living expenses.
- **Expand the Health Professional Loan Repayment program** to help additional health care professionals repay student loans in exchange for working in underserved communities.

While not included in its agency budget request, the Board also is urging the Legislature and Governor to fully fund its policy goals for the State Need Grant and Promise Scholarship programs. The Board wants to provide State Need Grants equal to full public tuition to students with family incomes up to 65 percent of the state median and provide Promise Scholarships equal to community college tuition.

### **SNG final interim report will replace year-end reconciliation document** **Work Group agrees to change to ease administrative burdens**

Beginning with the close of the 2002-03 award year, State Need Grant administrators will no longer have to submit a year-end reconciliation report to the Board each July.

The State Need Grant Work Group agreed to the change at its Oct. 10 meeting as a way to improve program efficiency and ease administrative requirements. The group, made up of aid administrators and Board staff, decided that the final quarterly interim report, also due in July, would stand in place of the reconciliation document.

The interim reports include information about income, family size, Dependent Care Allowance, and number in college for both served and unserved students eligible for the SNG. The first interim report is due to the Board by Nov. 8. The final interim report for 2002-03 will be due July 14.

For more information on the SNG quarterly interim reports or year-end requirements, contact Chris Leeper at [chrisl@hecb.wa.gov](mailto:chrisl@hecb.wa.gov) or (360) 753-7840.

### **Award amounts set for WAVE, Washington Scholars**

The Board has established 2002-03 award amounts for the Washington Award for Vocational Excellence (WAVE) and Washington Scholars programs. WAVE recipients will receive 85 percent of tuition at public institutions and Washington Scholars will receive 82 percent.

Individual award amounts for these programs are set each year and are contingent on available funds and the number of student recipients.

## **New materials available for SWS, EOG programs**

In recent weeks, the Board has released new information for financial aid administrators and students.

The new *State Work Study Student Handbook* explains to students how the SWS program works. The format is similar to the program's Employer Handbook. SWS staff mailed preview copies to each school last week. More copies are available by request. Contact Khris Blumer at [khrisb@hecb.wa.gov](mailto:khrisb@hecb.wa.gov) or (360) 753-7847.

Educational Opportunity Grant applications, brochures and posters will be ready in early November. Board staff will send supplies directly to community colleges and participating four-year institutions in the 13 eligible counties. For more information, contact Dawn Cypriano at [dawnc@hecb.wa.gov](mailto:dawnc@hecb.wa.gov) or (360) 753-7846.

## **Upgrades added to online SWS master employer contract file**

Board staff has upgraded the State Work Study master employer contract file, which provides financial aid and student employment administrators with online information about participating SWS employers. New features of the electronic file include:

- A sort option that allows all new and renewed employers to be selected in one view.
- The ability to select the number of records per page you want to display.
- A "Download an Excel file of this query" that replaces the "Email me this page" option.
- A "Display search criteria with search results" checkbox that replaces the "Show criteria / Hide criteria" button.

The new features are expected to work with any version of Netscape or Internet Explorer, as well as some other Internet browsers. They also provide a more secure way to communicate confidential information. Some of the features are expected to be available soon on other HECB program web pages.

For more information, contact Betty Gebhardt at [bettyg@hecb.wa.gov](mailto:bettyg@hecb.wa.gov) or (360) 753-7852.

## **Public tuition across the nation sees biggest jump in 10 years** **Grant aid increases outpace hikes, College Board survey finds**

The cost of tuition at public colleges and universities in the U.S. over the past year has seen its biggest jump in a decade, according to a survey by the College Board. The increases far outstripped the rate of inflation, although available grant aid rose faster than tuition during the same period.

According to survey results published in *The Chronicle of Higher Education*, the prices at the nation's colleges and universities were, on average:

- \$1,735 at public two-year colleges — up \$127 or 7.9 percent. The increase last year was 5.8 percent.
- \$4,081 at public four-year colleges — up \$356 or 9.6 percent. The increase last year was 7.7 percent.
- \$9,890 at private two-year colleges — up \$690 or 7.5 percent. The increase last year was 5.5 percent.
- \$18,273 at private four-year colleges — up \$1,001 or 5.8 percent. The increase last year was 5.5 percent.

The news is not all bad for students, the survey found. Grant aid for the same 12-month period rose by 11.5 percent. This means that “on average, students are actually paying less for college,” according to Sandy Baum, a professor of economics at Skidmore College and a consultant to the College Board.

Ms. Baum noted that not every student is able to take advantage of the increases in grants. The survey showed a disproportionate rise in grant aid given for reasons other than need, including merit-based awards that tend to go to middle- and upper-income students.

The College Board's press release on the survey is available on the Web at: [2002 College Board tuition survey media advisory](#). A *New York Times* report is available at: [Public college tuitions rise 10 percent amid financing cuts](#). *Chronicle* subscribers can read its article online at: [Public-college tuition jumps at highest rate in 10 years](#).

## Sheepskin stocks, anyone?

### Another kind of “investment” in higher education

Ed. Note: *While the Financial Aid News is not in the business of dispensing personal investment advice, we thought this little piece had enough general interest to be worth a summary.*

Higher education has always been a path to brighter financial horizons. Now, some people have found ways to cash in without necessarily enrolling.

For the past few years, investors have been putting their money into commercial postsecondary education stocks. Greg Capelli, an analyst at Credit Suisse First Boston, offered his insights on higher education companies to the *The New York Times*. Like many personal finance managers, Capelli advises a careful look at the fundamentals:

**Demand for the product.** Enrollments continue to rise, particularly among working and returning students who flock to commercial higher education

providers. And with over \$70 billion in student financial aid available annually, the economic climate continues to look favorable for those pursuing degrees.

**Growing market share.** Commercial colleges and universities have grown from a one-percent share of the total higher education market five years ago to a three-percent-and-rising share today.

**Solid business plans.** The best of these companies have efficient, quality operations, Capelli said. "They are not trying to pretend to be Harvard or New York University or Columbia. But they give a lot of service, and can say they place 80 percent to 90 percent of their graduates in jobs within three months after graduation."

The *Times* interview is available online: [Turning a profit with higher education.](#)